GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:4
ANSWERED ON:15.07.2002
SETTING UP OF INDEPENDENT AGRICULTURAL INSURANCE COMPANY
IQBAL AHMED SARADGI;YEMPARALA VENKATESWARA RAO

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Union Government propose to set up an independent Agricultural Insurance Company/Crop Insurance Corporation to provide insurance coverage exclusively for the agriculture related operations across the country;

(b) if so, the details thereof;

(c) whether nearly 19 States including Andhra Pradesh, Karnataka and Gujarat have agreed to the above proposal:

(d) whether some of these States have registered one of the highest rates of crop failures in the country; and

(e) if so, the extent to which the said company is likely to be helpful to the farmers?

Answer

MINISTER OF AGRICULTURE (SHRI AJIT SINGH)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFFERED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.4 DUE FOR REPLY ON 15TH JULY, 2002.

(a)&(b): Yes, Sir. The new organization is proposed to be promoted by the existing Public Sector General Insurance Companies and National Bank for Agriculture and Rural Development (NABARD).

(c): All implementing States (21 States/UTs), including Andhra Pradesh, Karnataka and Gujarat have accepted in principle the need for setting up of a separate National Agricultural Insurance company.

(d): A wide-spread failure of crops had occurred in Gujarat during Kharif-2000, and as a consequence thereof the highest amount of indemnity claims so far amounting to Rs.768.92 crore were paid in Gujarat.

(e): The proposed new organization would be helpful to the farmers in respect of the following:-

- An exclusive insurance company will be able to arrange adequate manpower/infrastructure so that it could easily become approachable by the farmers and effective monitoring of crop conditions including yield would also be possible.

- The proposed new agency will facilitate reducing the unit area of insurance.

- The farmers, particularly non-loanee farmers, would be able to submit their insurance proposals directly to the insurance company.

- The proposed new organization would be able to focus on crop insurance and make necessary changes, if required, in the implementation of the scheme quickly.